

## **M. MUSKEGON**

### **1. OVERVIEW**

#### **City Location & History**

Muskegon is located on Lake Muskegon, 41.0 miles northwest of Grand Rapids at the center of the west coast of Michigan's lower peninsula. It was settled in the mid 1830s, became the seat of Muskegon County in 1859, and was incorporated as a city in 1869. In 1837, the timber industry sparked growth. While the lumber boom benefited the city, Muskegon foresaw that it had to diversify. Cement, paper, chemicals, engines, and motors became the new industries, and soon the city was known as a foundry town. Today, Muskegon's economy relies on tourism, agriculture, paper products, fishing, recreation, and various types of manufacturing. Redevelopment of the waterfront has been a city priority.

Muskegon is located at the intersection of Interstate 96 (Grand Rapids southeast) and U.S. Highway 31 (Ludington north and Holland south). In 2007 it was estimated that Muskegon had 39,846 people living in 14,482 households within 14.3 square miles.

#### **Downtown Study Area Delineation & Boundaries**

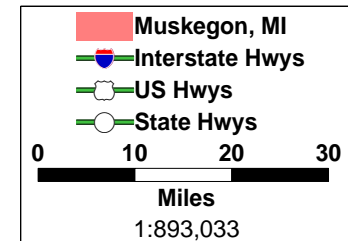
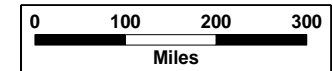
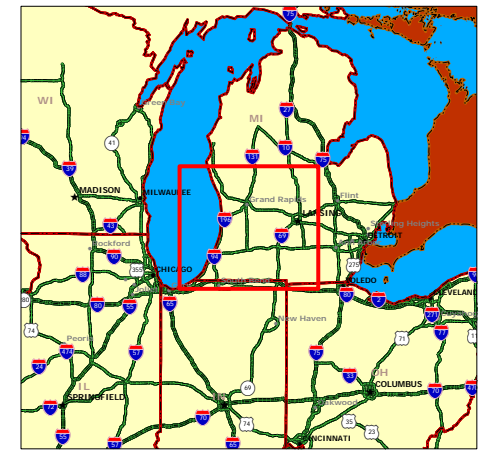
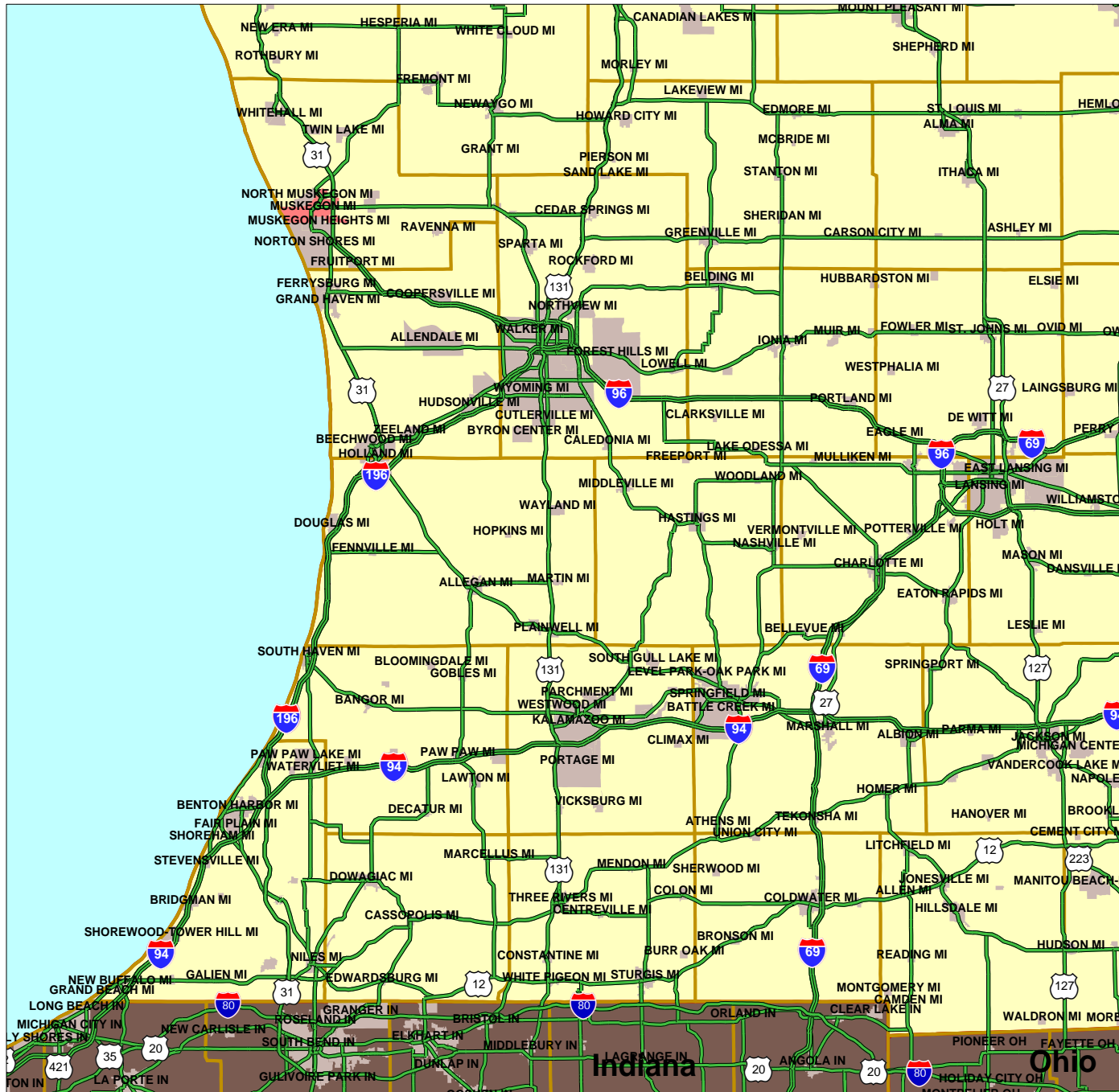
The Muskegon Downtown Study Area (DSA) was established after a driving tour of the inner city and consultation with city officials. The following four factors influenced the final delineation: (1) exclusion of single-family neighborhoods, (2) inclusion of the Central Business District, (3) general adherence to downtown development authority boundaries, and (4) recognition of significant natural and man-made barriers. For this study, the Muskegon DSA is generally described as follows:

- Northwest boundary: Lake Muskegon
- Northeast boundary: Spring Street
- Southeast boundary: Walton / Houston / Muskegon avenues
- Southwest boundary: Washington Avenue / Franklin Street

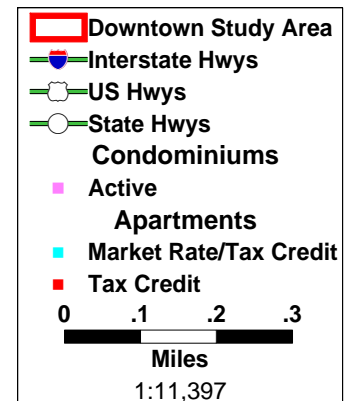
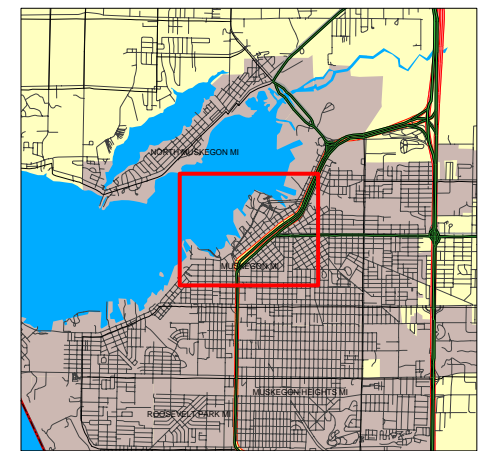
The geographic center of the DSA is the intersection of 5<sup>th</sup> Street and Clay Avenue.

A regional map showing the location of the city within the state and a map delineating the specific boundaries of the DSA follow. On this DSA map, we have shown the location of each multi-unit property (both rental and condominium) surveyed within the Muskegon DSA. Map I.D. numbers for surveyed properties are identified in the Multi-Unit Housing Supply Analysis later in this section.

# Muskegon, MI: Surrounding Region



# Muskegon, MI: DSA Boundary with Surveyed Properties



### **2007 Demographic Snapshot (Estimated from 2000 Census)**

The following table provides a brief demographic snapshot of key population and household characteristics for the Muskegon DSA and the remainder of the city:

	2007 ESTIMATE	
	DOWNTOWN STUDY AREA	REMAINDER OF MUSKEGON
<b>POPULATION</b>		
NUMBER	569	39,277
MEDIAN AGE	35.5	33.4
<b>GENDER</b>		
PERCENT MALE	45.7%	52.5%
PERCENT FEMALE	54.3%	47.5%
<b>EDUCATION (AGE 25+)</b>		
PERCENT HIGH SCHOOL EDUCATED	67.7%	59.3%
PERCENT COLLEGE EDUCATED	32.3%	40.7%
<b>MARTIAL STATUS (AGE 15+)</b>		
PERCENT SINGLE	66.7%	55.2%
PERCENT MARRIED	33.3%	44.8%
<b>HOUSEHOLDS</b>		
NUMBER	300	14,182
<b>PRESENCE OF CHILDREN</b>		
PERCENT WITH CHILDREN	26.6%	39.8%
PERCENT WITHOUT CHILDREN	73.5%	60.2%
<b>AVERAGE SIZE</b>	1.9	2.4
<b>TENURE</b>		
PERCENT OWNER	25.0%	58.0%
PERCENT RENTER	75.0%	42.0%
<b>MEDIAN INCOME</b>	\$20,374	\$30,352

Source: 2000 Census; Claritas, Inc.

The above data and more detailed demographic information are analyzed in the following section.

## **2. DEMOGRAPHICS**

The following information has been compiled from the U.S. Census Bureau, the U.S. Department of Housing and Urban Development, the U.S. Department of Labor, and the FBI. It has been grouped into five categories for analysis: (1) population characteristics - descriptors for individual people, (2) household characteristics - descriptors for people living together in one residence, (3) housing characteristics - descriptors for residential dwelling units, (4) crime and transportation - descriptors for crime rates and transit/commuting activities, and (5) economic and employment indicators - descriptors for business and employment activity. This information is provided for expanding geographic areas: (1) the Downtown Study Area (DSA), (2) the remainder of the DSA's city, and (3) the state of Michigan.

## Population Characteristics

	DOWNTOWN STUDY AREA	REMAINDER OF MUSKEGON	STATE OF MICHIGAN
<b>POPULATION</b>			
1990 CENSUS	478	39,664	9,295,297
2000 CENSUS	514	39,392	9,938,444
2007 ESTIMATED	569	39,277	10,159,688
2012 PROJECTED	605	39,225	10,268,116
PERCENT CHANGE 1990 TO 2000	7.5%	-0.7%	6.9%
PERCENT CHANGE 2000 TO 2007	10.7%	-0.3%	2.2%
PERCENT CHANGE 2007 TO 2012	6.3%	-0.1%	1.1%
<b>POPULATION BY AGE 2007</b>			
PERCENT AGE LESS THAN 18 (CHILDREN)	28.3%	25.6%	24.5%
PERCENT AGE 18 TO 34 (YOUNG ADULTS)	21.3%	27.1%	22.6%
PERCENT AGE 35 TO 54 (MIDDLE-AGED ADULTS)	22.1%	27.8%	29.2%
PERCENT AGE 55 OR MORE (SENIORS)	28.3%	19.4%	23.7%
MEDIAN AGE	35.5	33.4	37.1
<b>POPULATION BY GENDER 2007</b>			
PERCENT MALE	45.7%	52.5%	49.2%
PERCENT FEMALE	54.3%	47.5%	50.8%
<b>POPULATION BY EDUCATION (AGE 25+) 2007</b>			
PERCENT HIGH SCHOOL GRADUATES OR LESS	67.7%	59.3%	47.6%
PERCENT SOME COLLEGE	18.1%	25.0%	23.4%
PERCENT COLLEGE GRADUATES OR MORE	14.2%	15.7%	29.1%
<b>POPULATION BY MARTIAL STATUS (AGE 15+) 2007</b>			
PERCENT NEVER MARRIED	32.5%	32.9%	27.2%
PERCENT MARRIED	33.3%	44.8%	56.3%
PERCENT WIDOWED/DIVORCED	34.2%	22.3%	16.5%
<b>LAND AREA, POPULATION DENSITY &amp; DAYTIME POPULATION 2007</b>			
LAND AREA (IN SQUARE MILES)	0.6	13.7	56,803.8
PERSONS PER SQUARE MILE	901.7	2,869.2	178.9
DAYTIME POPULATION	3,657	23,465	5,680,903

Source: 2000 Census; Claritas, Inc.

Noteworthy observations and trends from the above table for the Muskegon DSA include the following:

- From 1990 to 2000, the total population within the DSA increased 7.5%, while the remainder of the city decreased slightly by 0.7%. The state population increased by 6.9% during this period. From 2000 to 2012, DSA population was projected to increase 17.0%, while the remainder of the city was expected to decrease slightly by 17.0%. The state population was projected to increase by 3.3% during this 12-year period.
- In 2007 569 people resided within the DSA, representing only 1.4% of the city's total population.

- In 2007 the typical DSA resident profile was a 36 year old adult who was only high school educated (67.7%) and unmarried (66.7%). Females (54.3%) outnumbered males. This profile is similar to the remainder of the city and the state. The percentage of residents 55 years of age and older was higher within the DSA than the remainder of the city and the state (28.3% versus 19.4% and 23.7%).
- In 2007 the land area within the DSA represented 4.2% of the total area within the city limits.
- In 2007 the population density within the DSA was 3.1 times sparser than the remainder of the city.



## Household Characteristics

	<b>DOWNTOWN STUDY AREA</b>	<b>REMAINDER OF MUSKEGON</b>	<b>STATE OF MICHIGAN</b>
<b>HOUSEHOLDS</b>			
1990 CENSUS	253	14,419	3,419,331
2000 CENSUS	273	14,175	3,785,661
2007 ESTIMATED	300	14,182	3,936,519
2012 PROJECTED	318	14,158	4,009,481
PERCENT CHANGE 1990 TO 2000	7.9%	-1.7%	10.7%
PERCENT CHANGE 2000 TO 2007	9.9%	0.0%	4.0%
PERCENT CHANGE 2007 TO 2012	6.0%	-0.2%	1.9%
<b>HOUSEHOLDS BY COMPOSITION 2007</b>			
PERCENT SINGLE	53.2%	34.4%	27.2%
PERCENT MARRIED WITH CHILDREN	4.7%	14.6%	23.5%
PERCENT MARRIED NO CHILDREN	11.9%	19.0%	28.7%
PERCENT SINGLE PARENT	21.9%	25.2%	16.0%
PERCENT OTHER	8.4%	6.8%	4.7%
<b>AVERAGE HOUSEHOLD SIZE 2007</b>	1.9	2.4	2.5
<b>HOUSEHOLDS BY TENURE 2007</b>			
PERCENT OWNER	25.0%	58.0%	74.5%
PERCENT RENTER	75.0%	42.0%	25.5%
<b>MEDIAN HOUSEHOLD INCOME 2007</b>	\$20,374	\$30,352	\$50,319
<b>HOUSEHOLDS BY PRIZM NE LIFESTAGE CLASSES &amp; GROUPS 2007*</b>			
<b>PERCENT YOUNGER YEARS CLASS</b>	37.8%	30.8%	32.7%
PERCENT <i>MIDLIFE SUCCESS</i> GROUP	0.2%	3.7%	15.4%
PERCENT <i>YOUNG ACHIEVERS</i> GROUP	11.6%	5.3%	6.8%
PERCENT <i>STRIVING SINGLES</i> GROUP	26.0%	21.7%	10.5%
<b>PERCENT FAMILY LIFE CLASS</b>	9.8%	26.5%	30.6%
PERCENT <i>ACCUMULATED WEALTH</i> GROUP	0.0%	0.3%	4.0%
PERCENT <i>YOUNG ACCUMULATORS</i> GROUP	0.2%	1.1%	8.4%
PERCENT <i>MAINSTREAM FAMILIES</i> GROUP	2.1%	10.9%	14.7%
PERCENT <i>SUSTAINING FAMILIES</i> GROUP	7.4%	14.2%	3.6%
<b>PERCENT MATURE YEARS CLASS</b>	52.4%	42.8%	36.7%
PERCENT <i>AFFLUENT EMPTY NESTS</i> GROUP	2.1%	0.8%	6.1%
PERCENT <i>CONSERVATIVE CLASSICS</i> GROUP	6.8%	6.0%	10.7%
PERCENT <i>CAUTIOUS COUPLES</i> GROUP	2.6%	18.1%	11.6%
PERCENT <i>SUSTAINING SENIORS</i> GROUP	41.0%	17.8%	8.4%

Source: 2000 Census; Claritas, Inc.

\*See Addendum A for Lifestage Class & Group definitions.

Noteworthy observations and trends from the above table for the Muskegon  
DSA include the following:



- From 1990 to 2000, the total number of households within the DSA increased 7.9%, while the remainder of the city decreased slightly by 1.7%. State households increased by 10.7% during this period. From 2000 to 2012, DSA households were projected to increase 15.9%, while the remainder of the city was expected to decrease slightly by 0.2%. State households were projected to increase by 5.9% during this 12-year period.
- In 2007 300 households resided within the DSA, representing only 2.1% of the city's total households.
- In 2007 the typical DSA household profile was a single adult (75.1%) with no children (65.1%) earning \$20,374 a year (median income) and renting their residence (75%). This profile is different from the remainder of the city and the state. Percentages of DSA households with children (26.6%) and married adults (16.3%) were well below the remainder of the city (39.8% and 33.6%) and the state (39.5% and 52.2%).
- In 2007 the average household size within the DSA (1.9 people) was smaller than the remainder of the city (2.4) and the state (2.5).
- In 2007 the percent of renter households within the DSA (75.0%) was much higher than the remainder of the city (42.0%) and the state (25.5%).
- In 2007 the median income within the DSA (\$20,374) was well below the remainder of the city (\$30,352) and the state (\$50,319).
- *Claritas, Inc. Prizm NE Lifestage* data for 2007 (estimated) was used to determine DSA resident profiles. Residents were classified in three main Lifestage classes: Younger Years, Family Life, and Mature Years. The largest Lifestage class within the DSA was *Mature Years* at 52.4% of all households, while the two largest Lifestage groups were *Sustaining Seniors* (41.0%) and *Striving Singles* (26.0%). The largest Lifestage class in the remainder of the city was *Mature Years* at 42.8% of all households, while the two largest Lifestage groups were *Striving Singles* (21.7%) and *Cautious Couples* (18.1%). The largest Lifestage class in the state was *Mature Years* at 36.7% of all households, while the two largest Lifestage groups were *Midlife Success* (15.4%) and *Mainstream Families* (14.7%). The DSA Lifestage class and group percentages are different from the remainder of the city and the state as a whole. This indicates that household composition within the DSA is different from the remainder of the city and the state. DSA households are both younger and older, smaller, mostly childless, lower income, and mostly renters.

## Housing Characteristics

	<b>DOWNTOWN STUDY AREA</b>	<b>REMAINDER OF MUSKEGON</b>	<b>STATE OF MICHIGAN</b>
<b>HOUSING UNITS 2000</b>			
PERCENT OCCUPIED	84.5%	91.2%	89.4%
PERCENT VACANT	15.5%	8.8%	10.6%
TOTAL	323	15,549	4,234,279
<b>HOUSING UNITS 2007</b>			
PERCENT OCCUPIED	82.9%	90.1%	87.8%
PERCENT VACANT	17.1%	9.9%	12.2%
TOTAL	362	15,745	4,482,194
<b>HOUSING UNITS 2012</b>			
PERCENT OCCUPIED	81.1%	89.0%	86.2%
PERCENT VACANT	18.9%	11.0%	13.8%
TOTAL	392	15,910	4,652,213
<b>HOUSING PAYMENTS GREATER THAN 30% OF INCOME BY TENURE 2000</b>			
PERCENT OWNER-OCCUPIED UNITS	7.0%	19.7%	17.8%
PERCENT RENTER-OCCUPIED UNITS	64.0%	41.1%	37.6%
<b>AVERAGE MONTHLY OWNER HOUSING PAYMENT 2000</b>	\$562	\$542	\$1,037
<b>AVERAGE MONTHLY RENTER HOUSING PAYMENT 2000</b>	\$439	\$421	\$578
<b>AVERAGE NUMBER OF ROOMS PER OCCUPIED HOUSING UNIT 2000</b>	4.6	5.2	5.7
<b>AVERAGE NUMBER OF BEDROOMS PER OCCUPIED HOUSING UNIT 2000</b>	2.1	2.2	2.3
<b>YEAR BUILT; OWNER-OCCUPIED UNITS (2000)</b>			
PERCENT 1990 TO MARCH 2000	0.0%	4.0%	16.0%
PERCENT 1980 TO 1989	0.0%	1.9%	9.7%
PERCENT 1979 OR EARLIER	100.0%	94.1%	74.3%
<b>YEAR BUILT; RENTER-OCCUPIED UNITS (2000)</b>			
PERCENT 1990 TO MARCH 2000	29.3%	4.8%	10.2%
PERCENT 1980 TO 1989	1.5%	6.8%	13.0%
PERCENT 1979 OR EARLIER	69.3%	88.4%	76.8%
<b>HOUSING UNITS BY STRUCTURE TYPE 2000</b>			
PERCENT SINGLE FAMILY	31.6%	66.8%	74.5%
PERCENT 2 TO 19 UNITS IN A BUILDING	39.0%	24.7%	13.7%
PERCENT 20 TO 49 UNITS IN A BUILDING	13.0%	2.8%	2.2%
PERCENT 50 OR MORE UNITS IN A BUILDING	16.4%	5.3%	3.0%
PERCENT OTHER	0.0%	0.4%	6.7%
<b>MEDIAN HOME VALUE 2000</b>	\$54,681	\$60,261	\$110,857
<b>MEDIAN HOME VALUE 2007</b>	\$79,000	\$76,148	\$145,613
<b>MEDIAN HOME VALUE 2012</b>	\$78,889	\$82,016	\$158,803
<b>AVERAGE RESIDENCY LENGTH; OWNER-OCCUPIED UNITS</b>	8.0	11.0	11.0
<b>ANNUAL TURNOVER; OWNER-OCCUPIED UNITS (2000)</b>	3.5%	6.7%	7.7%
<b>ANNUAL TURNOVER; RENTER-OCCUPIED UNITS (2000)</b>	33.6%	31.9%	31.6%

Source: 2000 Census; Claritas, Inc.

Noteworthy observations and trends for the Muskegon DSA include the following:

- The total number of housing units in the DSA was projected to increase at a higher rate than the remainder of the city and the state from 2000 to 2012 (21.4% versus 2.3% and 9.9%).
- While the total number of housing units in the DSA was projected to increase from 2000 to 2012, the vacancy rate was projected to increase slightly as well from 15.5% to 18.9%, a 21.9% increase. This increasing vacancy rate was projected to hold true for the remainder of the city and the state, however, at differing rates.
- In 2007 there were 362 housing units within the DSA, representing only 2.3% of the city's total housing units. Of the DSA housing units, 17.1% were estimated to be vacant.
- In 2000 64.0% of the renter-occupied units within the DSA paid more than 30% of their gross income for housing. This is a much higher percentage than the remainder of the city (41.1%) and the state (37.6%).
- In 2000 owner-occupied units within the DSA paid an average of \$562 per month for housing, which was more than the remainder of the city (\$542), but much less than the state (\$1,037). Renter-occupied units within the DSA paid an average of \$439 per month for housing, which was slightly more than the remainder of the city (\$421), but less than the state (\$578).
- In 2000 the average number of total rooms (4.6) and bedrooms (2.1) per DSA housing unit were slightly less than the remainder of the city (5.2 and 2.2) and the state (5.7 and 2.3). This indicates that housing units within the DSA were similar in size to those found in the rest of the city and the state.
- In 2000 68.4% of all housing units within the DSA were in multi-unit buildings. This percentage is much higher than the remainder of the city (32.8%) and the state (18.9%). Conversely, 31.6% of all housing units in the DSA were single-unit/single-family structures.
- The median home value within the DSA was projected to increase at a similar rate to the remainder of the city and the state from 2000 to 2012 (44.3% versus 36.1% and 43.3%). The actual values were projected to be lower than the remainder of the city and much lower than the state.

- The average residency length of owner-occupied units within the DSA (eight years) is shorter than the remainder of the city and the state (both 11 years). The annual turnover rate within the DSA for renter-occupied units is similar to the remainder of the city and the state, while the owner-occupied unit rate is lower than the remainder of the city and the state.

### **Crime & Transportation**

	<b>DOWNTOWN STUDY AREA</b>	<b>REMAINDER OF MUSKEGON</b>	<b>STATE OF MICHIGAN</b>
<b>CRIME INDEX 2007*</b>			
<i>PERSONAL CRIME</i>	239	175	94
<i>PROPERTY CRIME</i>	363	350	115
<b>WORKER COMMUTE BY MODE (AGE 16+) 2007</b>			
PERCENT DRIVE ALONE	64.9%	76.3%	83.5%
PERCENT CARPOOL	14.9%	15.3%	9.6%
PERCENT PUBLIC TRANSIT	4.2%	1.2%	1.2%
PERCENT WALK	10.1%	2.7%	2.2%
PERCENT MOTORCYCLE / BICYCLE	0.0%	0.5%	0.2%
PERCENT OTHER MEANS	0.0%	1.5%	0.5%
PERCENT WORK AT HOME	6.0%	2.5%	2.9%
TOTAL WORKERS	168	14,681	4,777,007
<b>AVERAGE WORKER COMMUTE TIME IN MINUTES (AGE 16+) 2007</b>	18.2	21.5	26.2
<b>AVERAGE NUMBER OF VEHICLES PER HOUSEHOLD BY TENURE 2007</b>			
OWNER HOUSEHOLDS	0.8	1.5	1.8
RENTER HOUSEHOLDS	1.4	1.7	2.0
ALL HOUSEHOLDS	0.6	1.1	1.2

Source: 2000 Census; Claritas, Inc.; Applied Geographic Solutions; VWB Research

\*Based on a par value of 100

Noteworthy observations and trends for the Muskegon DSA include the following:

- In 2007 personal crime indices within the DSA were higher than the remainder of the city and much higher than state and national averages. Property crime indices within the DSA were estimated to be similar to the remainder of the city, but much higher than state and national averages.
- In 2007 the adult workers within the DSA used a car less often to commute than did the adult workers in the remainder of the city and the state (79.8% versus 91.6% and 93.1%); 10.1% walked to work, and 4.2% used public transit.

- In 2007 adult workers within the DSA had shorter commute times (18.2 minutes) than those in the remainder of the city (21.5) and the state (26.2).
- In 2007 households within the DSA had fewer vehicles (0.6) than those in the remainder of the city (1.1) and the state (1.2).

### **Economic & Employment Indicators**

	<b>DOWNTOWN STUDY AREA</b>	<b>REMAINDER OF MUSKEGON</b>	<b>STATE OF MICHIGAN</b>
<b>EMPLOYMENT SHARE BY INDUSTRY 2007</b>			
AGRICULTURE & NATURAL RESOURCES	0.1%	0.2%	1.1%
MINING	0.0%	0.0%	0.1%
CONSTRUCTION	2.3%	2.9%	4.3%
MANUFACTURING	15.2%	19.3%	14.7%
TRANSPORTATION & UTILITIES	15.2%	2.2%	4.1%
WHOLESALE TRADE	0.6%	5.9%	4.3%
RETAIL TRADE	12.4%	19.1%	19.4%
F.I.R.E.	9.6%	2.6%	5.9%
SERVICES	35.8%	39.6%	39.9%
GOVERNMENT	8.2%	7.7%	5.0%
NON-CLASSIFIABLE	0.5%	0.5%	1.1%
TOTAL EMPLOYEES	3,656	23,465	5,680,903
<b>ANNUAL UNEMPLOYMENT RATE</b>			
2000	NA	5.4%	3.7%
2001	NA	7.8%	5.2%
2002	NA	10.2%	6.2%
2003	NA	11.6%	7.1%
2004	NA	10.0%	7.0%
2005	NA	9.0%	6.8%
2006	NA	9.0%	6.9%
2007	NA	9.5%	7.2%
<b>MEDIAN HOUSEHOLD EFFECTIVE BUYING INCOME 2007</b>	\$18,871	\$26,906	\$41,752
<b>ECONOMIC DENSITIES 2007</b>			
TOTAL BUSINESSES PER SQUARE MILE	416.8	98.2	7.1
RETAIL BUSINESSES PER SQUARE MILE	52.3	21.3	1.4
EMPLOYEES PER SQUARE MILE	5,795.6	1,714.2	100.0
<b>RESIDENTIAL MULTI-UNIT BUILDING PERMITS BY DECADE (5+ UNITS PER BUILDING)</b>			
2000 TO 2006 (UNITS)	NA	293	45,563
1990 TO 1999 (UNITS)	NA	425	65,592
1980 TO 1989 (UNITS)	NA	200	106,921

Source: Claritas, Inc.; Department of Labor, Bureau of Labor Statistics; socds.huduser.org – Building Permit Database

Table continued

<b>TOP 10 EMPLOYERS WITHIN ONE MILE OF DOWNTOWN STUDY AREA</b>	<b>NUMBER OF EMPLOYEES</b>	<b>TYPE OF BUSINESS</b>
1. MUSKEGON CITY ELECTIONS	350	GOVERNMENTAL ELECTION SERVICES
2. VERIZON	250	TELECOMMUNICATIONS
3. MUSKEGON CHRONICLE	250	NEWSPAPER PUBLISHERS
4. HOLIDAY INN	200	HOTEL
5. U.S. POST OFFICE	200	POSTAL SERVICES
6. HUNTINGTON NATIONAL BANK	180	COMMERCIAL BANK
7. MICHIGAN STEEL	170	STEEL FOUNDRY
8. MUSKEGON HIGH SCHOOL	165	PUBLIC HIGH SCHOOL
9. HACKLEY VISITING NURSE SERVICES	150	NURSING SERVICES
10. JAIL BOOKING & INFORMATION	104	CORRECTIONAL INSTITUTION

Source: 2007 InfoUSA Business Database

Noteworthy observations and trends for the Muskegon DSA include the following:

- In 2007 3,656 people worked within the DSA, representing 13.5% of all workers within the city.
- In 2007 the industry with the most employees within the DSA was Services at 35.8%.
- In 2007 white-collar employment within the DSA (46.7%) was slightly higher than the remainder of the city (42.9%), but lower than the state (56.9%).
- From 2000 to 2007, the unemployment rate for Muskegon has been higher than the state rate, while increasing from 5.4% to 9.5%. In 2007 the unemployment rate for Muskegon was 9.5%, compared to the state's 7.2%
- In 2007 the median household effective buying income within the DSA (\$18,871) was well below the remainder of the city (\$26,906) and the state (\$41,752).
- On a citywide basis, the number of residential permits issued for units in buildings with five or more dwellings fluctuated over the last three decades. Permits for multi-unit buildings (five or more units) issued during the 1990s increased 212.5% from those issued during the 1980s. The same type permits issued during the 2000s (adjusted for a full decade) would decrease 1.4% from those issued during the 1990s. Since 2000, an average of 42 multi-unit building permits per year were issued citywide; up from 20 per year during the 1980s.

- Within 1.0 mile of the DSA, the largest employer is Muskegon City Elections with 350 employees. The 10 largest employers within 1.0 mile of the DSA employ a total of 2,019 people. Within the DSA, 3,656 people are employed, yielding an “Employment per DSA Resident” ratio of 6.4 to one (based on 2007 estimates).

### **Demographic Summary**

Resident households within the Muskegon DSA typically are childless, unmarried adults (36 year median age) who either live alone or with a roommate/partner, are only high school educated, earn an average of \$20,000 per year, and rent their residence. The largest Lifestage Group is *Sustaining Seniors*. There are slightly more females than males. After growing in the 1990s, the DSA population is projected to increase further from 2000 to 2012 with household growth increasing as well. Only 1.4% of the city’s population is projected to live within the DSA in 2007. Population density and daytime population are well below average for this study.

The number of total housing units within the DSA is projected to increase from 2000 to 2012, however, so is the vacancy rate. Only 2.3% of the city’s total housing units are projected to be within the DSA in 2007. There are many more renters than owners, and most of those renting pay over 30% of their income for housing. Housing units are denser (more units per building) and slightly smaller within the DSA than the remainder of the city. The typical housing unit within the DSA has two bedrooms and is in a multi-unit building. DSA owners pay much less per month for housing than the state average, while renters pay less than the state average. Owner-occupied units are older than renter-occupied units. While median home values are increasing, they are lower than the remainder of the city and the state. Residency length is shorter within the DSA, and the annual turnover rates for renters and owners are similar to or lower than the remainder of the city and the state.

Crime indices within the DSA are higher than the rest of the city and much higher than the state. Transportation data indicates DSA residents/households drive less often to work, have shorter commuting times, and own fewer vehicles than their counterparts outside the DSA.

Muskegon City Elections, Verizon, and the Muskegon Chronicle most heavily influence employment in and near the DSA. Six of the largest 10 employers within 1.0 mile of the DSA are private for-profit businesses. Most employment is white-collar (46.7%) with 66.0% of jobs falling within Service, Retail, Government, and Finance/Insurance/Real Estate industries.



Unemployment citywide has increased since 2000, and remains above the state rate. Building permits for residential dwellings in multi-unit buildings have increased citywide over the past 27 years, indicating a long-term demand for multi-unit housing. Economic densities for the DSA are higher than the remainder of the city, but well below average for DSAs in this study.

### 3. MULTI-UNIT HOUSING SUPPLY ANALYSIS

#### Demographic Housing Supply Overview

According to the U.S. Census, the distribution of housing stock by tenure and occupancy within the Muskegon DSA for 2000, 2007 (estimated), and 2012 (projected) is summarized in the following table:

HOUSING TYPE	2000 CENSUS		2007 (ESTIMATED)		2012 (PROJECTED)	
	HOUSING UNITS	PERCENT	HOUSING UNITS	PERCENT	HOUSING UNITS	PERCENT
TOTAL OCCUPIED	273	84.5%	300	82.9%	318	81.1%
OWNER-OCCUPIED	68	24.9%	75	25.0%	79	24.8%
RENTER-OCCUPIED	205	75.1%	225	75.0%	239	75.2%
VACANT	50	15.5%	62	17.1%	74	18.9%
TOTAL	323	100.0%	362	100.0%	392	100.0%

Source: 2000 Census; Claritas, Inc.; VWB Research

For all three years (2000, 2007, and 2012), renter-occupied housing units outnumber owner-occupied housing units by three to one.

Demographic housing trends indicate the total number of housing units within the DSA was projected to increase by 69, or 21.4%, from 2000 to 2012, while the vacancy rate for all housing units was projected to increase from 15.5% to 18.9% during the same 12-year period.

The following table shows the distribution of occupied housing units in the DSA by structure type (type = units per building) in 2000:

HOUSING UNITS BY STRUCTURE TYPE (2000 CENSUS)	NUMBER OF UNITS	PERCENT
SINGLE-UNIT	102	31.6%
LOW-DENSITY MULTI-UNIT (2 TO 19 UNITS PER BUILDING)	126	39.0%
MEDIUM-DENSITY MULTI-UNIT (20 TO 49 UNITS PER BUILDING)	42	13.0%
HIGH-DENSITY MULTI-UNIT (50+ UNITS PER BUILDING)	53	16.4%
OTHER (TRAILER/BOAT/RV/VAN/ETC.)	0	0.0%
TOTAL	323	100.0%

Source: U.S. Census Bureau; 2000 Census

The above table shows that most of the occupied housing units within the DSA were located in Low-Density Multi-Unit buildings (39.0%). Of all the occupied housing units within the DSA, 68.4% were located in Multi-Unit buildings, while 31.6% were located in Single-Unit (one-family) buildings.

The following table presents selected housing characteristics by owner- and renter-occupied housing units for the DSA in 2000:

HOUSING CHARACTERISTIC IN YEAR 2000	OWNER-OCCUPIED HOUSING UNITS	RENTER-OCCUPIED HOUSING UNITS
AVERAGE MONTHLY HOUSING PAYMENT	\$562	\$439
PERCENT WITH HOUSING PAYMENT GREATER THAN 30% OF INCOME	7.0%	64.0%
AVERAGE HOUSEHOLD SIZE	2.5	1.9
PERCENT MOVED-IN BETWEEN 1995 & 2000	33.8%	85.9%
ANNUAL TURNOVER RATE	3.5%	33.6%
AVERAGE NUMBER OF TOTAL ROOMS	7.0	3.7
AVERAGE NUMBER OF BEDROOMS	2.7	1.4
PERCENT BUILT BETWEEN 1990 & 2000	0.0%	29.3%
MEDIAN YEAR BUILT	<1939	1953

Source: U.S. Census Bureau; 2000 Census

Noteworthy observations from the DSA include:

- Sixty-four percent of renter households paid more than 30% of their income for housing.
- Owner households were larger in size than renter households.
- Between 1995 and 2000, 86% of renter households moved into the DSA, while only 33% of owners moved in during that period.
- The annual turnover rate for renters was higher than owners. The owner turnover rate was very low.
- Owner-occupied units were much larger than renter-occupied units.
- Twenty-nine percent of renter units were built during the 1990s, while no owner units were built during that period.

### **Multi-Unit Rental Housing Supply Survey**

We identified and surveyed three multi-unit rental housing properties totaling 253 units within the Muskegon DSA that met the study's selection criteria (refer to Muskegon DSA Map using property Map I.D. numbers below). Of these properties, two are Tax Credit and one is market-rate and Tax Credit. A summary of the surveyed properties by type, unit count, and vacancy rate appears in the following table:

PROPERTY TYPE	PROPERTIES SURVEYED	TOTAL UNITS	VACANT UNITS	VACANCY RATE*
MARKET-RATE/TAX CREDIT	1	126	35	27.8%
TAX CREDIT	2	127	8	6.3%
TOTAL	3	253	43	17.0%

\*As of July 2007

The Muskegon DSA multi-unit rental market is not performing well with an overall multi-unit rental vacancy rate of 17.0%. Tax Credit properties are out performing the market-rate/Tax Credit property (6.3% vacancies versus 27.8%). The study's aggregate vacancy rate for all surveyed multi-unit rental housing properties in this study is 8.9%; indicating the Muskegon DSA has a higher vacancy rate than the study's aggregate average.

The following table summarizes key information for each multi-unit rental housing property surveyed in the DSA:

MAP I.D.	PROPERTY NAME	TYPE	YEAR BUILT/ RENOVATED	UNITS	BUILDING STORIES	VACANCY RATE**	QUALITY RATING	NET RENT* RANGE
1	AMAZON	MRT	1889 / 2001	126	5	27.8%	A-	\$272 - \$860
2	ART WORKS OF MUSKEGON	TAX	1896 / 2006	26	2	0.0%	B+	\$270 - \$710
3	NELSON PLACE	TAX	1998	101	4	7.9%	B+	\$328- \$650

\*Net rent excludes all utilities except water, sewer, and trash removal.

\*\*As of July 2007

From the above table, 152 units, or 65.6%, are in two older buildings that were renovated in 2001 and 2006, while the remaining 101 units, or 34.4%, are in a new building that was constructed in 1998. The largest of the surveyed properties is The Amazon with 126 total units, while the smallest is The Art Works with 26 total units. The average sized multi-unit rental property within the Muskegon DSA is 84 units.

Each surveyed rental property was rated on a scale of A through E, with A rated properties representing very high quality product that is upscale and luxurious, and E rated properties representing very low quality product that is in serious disrepair. All properties were rated on overall quality and appearance. Surveyed properties had quality ratings from A- to B+, net monthly rents from \$270 to \$860, vacancy rates from 0.0% to 27.8%, and number of stories from two to five.

The following table summarizes the breakdown of unit information by property type within the DSA:

MARKET-RATE						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	VACANCY RATE*	MEDIAN NET RENT
STUDIO	1.0	2	9.5%	0	0.0%	\$272
ONE-BEDROOM	1.0	5	23.8%	0	0.0%	\$799
TWO-BEDROOM	1.0	7	33.3%	0	0.0%	\$548
THREE-BEDROOM	1.0	3	14.3%	1	33.3%	\$860
THREE-BEDROOM	2.0	4	19.0%	0	0.0%	\$860
TOTAL MARKET-RATE		21	100.0%	1	4.8%	-
TAX CREDIT						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	VACANCY RATE*	MEDIAN NET RENT
ONE-BEDROOM	1.0	125	53.9%	7	5.6%	\$535
TWO-BEDROOM	1.0	95	40.9%	33	34.7%	\$483
THREE-BEDROOM	1.0	6	2.6%	2	33.3%	\$505
THREE-BEDROOM	2.0	6	2.6%	0	0.0%	\$575
TOTAL TAX CREDIT		232	100.0%	42	18.1%	-

\*As of July 2007

Of the 253 units that were surveyed, 43 are vacant (17.0%). More specifically, the Tax Credit units are 18.1% vacant, and the market-rate units are 4.8% vacant. Surveyed rental units are 8.3% market-rate and 95.2% Tax Credit. The most common unit type for all property types is a one-bedroom/one-bath floor plan (51.4%), while the least common unit type is a studio/one-bath floor plan (0.8%). The highest vacancy rate (34.7%) is in the two-bedroom/one-bath Tax Credit unit. Median net monthly rent values range from a low of \$272 for a studio/one-bath market-rate unit to a high of \$860 for three-bedroom/one-bath and three-bedroom/two-bath market-rate units.

The following table summarizes the average net monthly rent per square foot by bedroom type and unit design for the multi-unit rental properties surveyed within the DSA (note: garden units have all living areas on one floor, regardless of the number of stories in a building, while townhouse units have living areas on multiple floors):

BEDROOM TYPE	AVERAGE NET RENT PER SQUARE FOOT			
	MARKET-RATE		TAX CREDIT	
	GARDEN	TOWNHOUSE	GARDEN	TOWNHOUSE
STUDIO	\$0.76	-	-	-
ONE-BEDROOM	\$0.87	-	\$0.79	-
TWO-BEDROOM	\$0.55	-	\$0.48	-
THREE-BEDROOM	\$0.68	-	\$0.45	-

All surveyed rental units are elevator-served garden-style plans. The above table indicates that average net monthly rents per square foot range from a low of \$0.45 for a three-bedroom Tax Credit unit to a high of \$0.87 for a one-bedroom market-rate unit. All units are garden-style. Market-rate units have slightly higher net rents than Tax Credit units for the same type of unit. Compared to aggregate averages in this study, the Muskegon DSA's average net monthly rents per square foot are lower.

The following table summarizes property counts, unit counts, vacancy rates, and median net monthly rents by quality rating and property type:

MARKET-RATE PROPERTIES				MEDIAN NET RENT			
QUALITY RATING	NUMBER	TOTAL UNITS	VACANCY RATE*	STUDIO	ONE-BR.	TWO-BR.	THREE-BR.
A-	1	21	4.8%	\$272	\$799	\$548	\$860

TAX CREDIT PROPERTIES				MEDIAN NET RENT			
QUALITY RATING	NUMBER	TOTAL UNITS	VACANCY RATE*	STUDIO	ONE-BR.	TWO-BR.	THREE-BR.
A-	1	105	32.4%	-	\$410	\$458	\$575
B+	2	127	6.3%	-	\$570	\$483	-

\*As of July 2007

As evidenced in the above table, no correlation exists between the quality of surveyed properties and their vacancy rates. However, the highest rated property has a very low vacancy rate. Further, no correlation appears to exist between net monthly rents and quality ratings.

The following appliances were included in the surveyed rental units (frequency indicated by percentage of units):

- Range (100.0%)
- Refrigerator (100.0%)
- Icemaker (10.3%)
- Dishwasher (100.0%)
- Disposal (100.0%)
- Microwave (100.0%)

The following amenities were included in the surveyed rental units (frequency indicated by percentage of units):

- Air conditioning (central 100.0%)
- Floor covering (100.0%)
- Washer/dryer machines (50.2%)
- Washer/dryer hook-ups (50.2%)
- Patio/deck/balcony (39.9%)
- Ceiling fan (10.3%)
- Intercom system (60.1%)
- Window treatment (100.0%)

The following common amenities were included in the surveyed rental properties for use by residents (frequency indicated by percentage of units):

- On-site management (100.0%)
- Laundry facilities (49.8%)
- Meeting room (50.2%)
- Fitness center (50.2%)
- Elevator (100.0%)
- Security gate (39.9%)

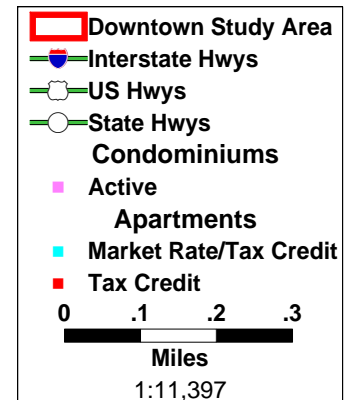
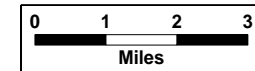
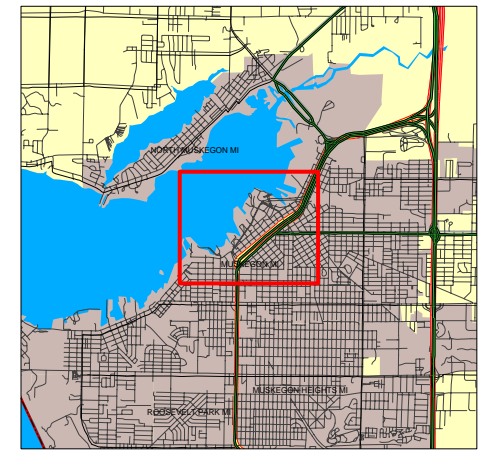
The following utility mix and payment responsibility were used in the surveyed rental properties (frequency indicated by percentages of units):

- Space heating (gas 100.0%; landlord 89.7% / tenant 10.3%)
- Cooking (electric 100.0% / tenant 100.0%)
- Water heating (gas 100.0%; landlord 89.7% / tenant 10.3%)
- Other electric (tenant 100.0%)
- Water-sewer-trash (landlord 100.0%)

An abbreviated field survey of all multi-unit rental properties in the Muskegon DSA is provided in the following pages. Properties have been color-coded to reflect type. The field survey is comprised of the following major elements:

- A colored-coded map indicating the location of each property surveyed.
- A list of properties surveyed with name, address, telephone number, contact person, photograph, property type, year built and renovated (if applicable), number of floors, total units, occupancy rate, quality rating, and presence of an elevator.
- Rent and unit information by property and number of bedrooms.




# Muskegon, MI: DSA Boundary with Surveyed Properties



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# SURVEY OF RENTAL PROPERTIES - MUSKEGON, MI

1 Amazon			
	<b>Address</b> 550 W. Western Ave. Muskegon, MI 49440	<b>Contact</b> Harold <b>Phone</b> (231) 725-0040 (Contact in person)	<b>Total Units</b> 126 <b>Vacancies</b> 35 <b>Occupied</b> 72.2% <b>Floors</b> 5 <b>Quality Rating</b> A- <b>Waiting List</b> TAX 1-br: 18 H.H.
	<b>Year Built</b> 1889 <b>Renovated</b> 2001 <b>Project Type</b> Market-rate & Tax Credit <b>Comments</b> Tax Credit @ 49% (54 units) & 60% AMHI (51 units); Market-rate (21 units); 0-br square footage estimated; Formerly Amazon Knitting Mill; Elevator		
2 Art Works of Muskegon			
	<b>Address</b> 600 W. Clay St. Muskegon, MI 49440	<b>Contact</b> Brandie <b>Phone</b> (231) 728-8505 (Contact in person)	<b>Total Units</b> 26 <b>Vacancies</b> 0 <b>Occupied</b> 100.0% <b>Floors</b> 2 <b>Quality Rating</b> B+ <b>Waiting List</b> 4-8 months
	<b>Year Built</b> 1896 <b>Renovated</b> 2006 <b>Project Type</b> Tax Credit <b>Comments</b> TC @ 30% (7), 40% (7), 45% (7) & 60% AMHI (5 units); 30% tenants w/mental health issues; Year built estimated.; Formerly Muskegon Boilerworks; Elevator		
3 Nelson Place			
	<b>Address</b> 350 Houston Ave. Muskegon, MI 49441	<b>Contact</b> Sandy <b>Phone</b> (231) 727-4077 (Contact in person)	<b>Total Units</b> 101 <b>Vacancies</b> 8 <b>Occupied</b> 92.1% <b>Floors</b> 4 <b>Quality Rating</b> B+ <b>Waiting List</b> None
	<b>Year Built</b> 1998 <b>Project Type</b> Tax Credit <b>Comments</b> Tax Credit @ 40% (10 units), 50% (50 units) & 60% AMHI (41 units); Disposal in 2-br units; Vacancies estimated; Rents from 2005; Elevator		

Market-rate
Market-rate/Tax Credit
Market-rate/Government-subsidized
Market-rate/Tax Credit/Government-subsidized
Tax Credit
Tax Credit/Government-subsidized
Government-subsidized

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## PRICE PER SQUARE FOOT - MUSKEGON, MI

STUDIO UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	NET RENT	\$ / SQ. FT.
1	Amazon	1	370 to 450	\$272 to \$347	\$0.74 to \$0.77
ONE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	NET RENT	\$ / SQ. FT.
1	Amazon	1	528 to 1017	\$310 to \$799	\$0.59 to \$0.79
3	Nelson Place	1	650	\$440 to \$650	\$0.68 to \$1.00
TWO-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	NET RENT	\$ / SQ. FT.
1	Amazon	1	792 to 1397	\$458 to \$787	\$0.56 to \$0.58
2	Art Works of Muskegon	1	1000 to 1300	\$270 to \$710	\$0.27 to \$0.55
3	Nelson Place	1	804 to 954	\$328 to \$513	\$0.41 to \$0.54
THREE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	NET RENT	\$ / SQ. FT.
1	Amazon	1 to 2	1232 to 1489	\$505 to \$860	\$0.41 to \$0.58

■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

Surveyed - July 2007

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# TAX CREDIT UNITS - MUSKEGON, MI

ONE-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
1	Amazon	17	528 - 1017	1	49%	\$400 - \$500
1	Amazon	17	625 - 969	1	60%	\$460 - \$520
3	Nelson Place	9	650	1	40%	\$530
3	Nelson Place	45	650	1	50%	\$625 - \$660
3	Nelson Place	37	650	1	60%	\$740
TWO-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
2	Art Works of Muskegon	7	1000	1	30%	\$270
3	Nelson Place	1	804 - 954	1	40%	\$430 - \$452
2	Art Works of Muskegon	7	1000	1	40%	\$483
3	Nelson Place	5	804 - 954	1	50%	\$540 - \$550
2	Art Works of Muskegon	7	1000	1	45%	\$552
3	Nelson Place	4	804 - 954	1	60%	\$555 - \$615
1	Amazon	28	910 - 1236	1	60%	\$560 - \$700
1	Amazon	31	792 - 1285	1	49%	\$560 - \$620
2	Art Works of Muskegon	5	1300	1	60%	\$710
THREE-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
1	Amazon	6	1232 - 1489	1 - 2	49%	\$620 - \$690
1	Amazon	6	1232 - 1489	1 - 2	60%	\$780 - \$790

Surveyed - July 2007



## MARKET RATE UNITS - MUSKEGON, MI

STUDIO UNITS					
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	COLLECTED RENT
1	Amazon	2	370 - 450	1	\$350 - \$425
ONE-BEDROOM UNITS					
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	COLLECTED RENT
1	Amazon	5	528 - 900	1	\$530 - \$889
TWO-BEDROOM UNITS					
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	COLLECTED RENT
1	Amazon	7	1008 - 1397	1	\$650 - \$889
THREE-BEDROOM UNITS					
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	COLLECTED RENT
1	Amazon	7	1232 - 1305	1 - 2	\$975

Surveyed - July 2007

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### **Multi-Unit Condominium Housing Supply Survey**

We identified and surveyed three multi-unit condominium housing properties totaling 95 units within the Muskegon DSA that met the study's selection criteria. Of these surveyed properties, none are established (properties where all units have sold) and three are active (properties with unsold condominium product). The following table shows the status of the multi-unit condominium properties included in the field survey:

PROPERTY TYPE	NUMBER OF PROPERTIES	UNITS		
		TOTAL	SOLD	UNSOLD
ESTABLISHED	0	0	0	0
ACTIVE	3	107	54	53
TOTAL	3	107	54	53

There are no units in established properties and 107 units in the active properties. Of the active properties, 54 units, or 50.5%, were sold between April 2002 and July 2007 (study cut-off date), while 53 units, or 49.5%, remain unsold.

The following table summarizes the absorption trends by condominium property type within the DSA:

AVERAGE MONTHLY UNIT SALES	CONDOMINIUM PROPERTY TYPE			
	ESTABLISHED		ACTIVE	
	NUMBER	PERCENT	NUMBER	PERCENT
< 0.5	-	-	2	66.7%
0.5 TO 0.9	-	-	1	33.3%
1.0 TO 1.9	-	-	0	0.0%
2.0 >	-	-	0	0.0%
TOTAL	-	-	3	100.0%

Since January 2002, a total of 54 condominium units sold. This is an average of 0.6 units monthly. The highest number of condominium units sold in any full year since 2000 was 2006 when 18 units sold. This translates into a monthly absorption of 1.5 units. In 2007, the monthly absorption rate through July was 1.3 units. Prior to 2002, there were no condominium units available for sale.

The following table details quality ratings, unit information, and sales data for each multi-unit condominium property surveyed within the DSA:

MAP I.D.	PROPERTY NAME	QUALITY RATING	TOTAL UNITS	SOLD UNITS	UNSOLD UNITS	AVERAGE INITIAL SALE PRICE	AVERAGE MONTHLY UNIT SALES	SALES PERIOD
1	YMCA CONDOMINIUMS	A	38	34	4	\$84,500.00	0.5	4/02 to 7/07
2	WATERMARK LOFTS	B+	53	16	37	\$156,667.00	0.6	6/05 to 7/07
3	VIDA NOVA AT EDISON LANDING	A	16	4	12	\$375,000.00	0.7	3/07 to 7/07
TOTAL / AVERAGE		A-	107	54	53	\$205,389.00	0.5*	

\*Average weighted by sold units

Each surveyed condominium property was rated on a scale of A through E, with A rated properties representing very high quality product that is upscale and luxurious, and E rated properties representing very low quality product that is in serious disrepair. All properties were rated on overall quality and appearance. All surveyed properties received A and B ratings within Muskegon DSA. The average rating for all surveyed properties was A-.

There are 107 condominium units in three properties, 91 units, or 85.1%, are in two older buildings that were renovated, while the remaining 16 units, or 14.9%, are in a newly built property. The largest of the surveyed properties is Watermark Lofts with 53 total units, while the smallest is Vida Nova at Edison Landing with 16 total units. The average sized property is 36 units. The surveyed property with the most unsold units is Vida Nova with 12 of 16 units available. Surveyed properties range in height from two to five floors.

The average sale prices at the active properties range from a low of \$84,500 at YMCA Condominiums to a high of \$375,000.00 at Vida Nova at Edison Landing. The DSA average weighted (by unit count) sale price for active properties is \$157,409. The average weighted sale price for all surveyed condominium units in this study is \$264,611 for active properties.

The surveyed property with the highest (fastest) absorption rate is Vida Nova at Edison Landing with 0.7 sales per month, while the property with the lowest (slowest) absorption rate is YMCA Condominiums with 0.5 sales per month. The DSA average weighted (by sold units) absorption rate for all surveyed properties is 0.5 sales per month. This value is higher than the average weighted absorption rate for all surveyed condominium properties in this study (2.1 sales per month).

The following table lists only the active condominium properties within the DSA by unit type, number of stories in building, unit sizes, and sales pricing:

MAP ID	PROPERTY NAME	UNIT DESCRIPTION			BUILDING STORIES	SQUARE FEET	BASE SALES PRICE	PRICE PER SQUARE FOOT
		BR.	BATH	TYPE				
1	YMCA CONDOMINIUMS	1	1.0	GD-EL	4	575 to 900	\$60,000 to \$78,000	\$86.67 to \$104.35
		2	2.0	GD-EL		1,150 to 1,250	\$80,000 to \$120,000	\$69.57 to \$96.00
2	WATERMARK LOFTS	1	1.0	GD-EL	5	600 to 875	\$94,000	\$107.43 to \$156.67
		2	2.0	GD-EL		1,100 to 1,275	\$167,000	\$130.98 to \$151.82
		3	2.0	GD-EL		1,500	\$209,000	\$139.33
3	VIDA NOVA AT EDISON LANDING	3	2.5	TH	2	1,700	\$375,000	\$220.59

Unit Type: LT=Loft; RN=Ranch; GD=Garden; TH=Townhouse; EL=Elevator; WU=Walk-up

The smallest unit among active properties is a one-bedroom/one-bath plan at 575 square feet in the YMCA Condominiums, while the largest unit is a three-bedroom/2.5-bath plan at 1,700 square feet in Vida Nova at Edison Landing.

Most units in active properties are elevator-served garden-style designs (all living areas on one floor; regardless of the number of stories in a building) in buildings with four to five stories. The most common unit type currently for sale is a one-bedroom/one-bath floor plan.

Active properties' sale prices vary greatly for the same unit type. For example, a two-bedroom/two-bath floor plan ranges in price from \$80,000 to \$167,000. The lowest priced unit is a one-bedroom/one-bath unit for \$60,000 (\$87 per square foot) in the YMCA Condominiums, while the highest priced unit is a three-bedroom/2.5-bath unit for \$375,000 (\$221 per square foot) in Vida Nova at Edison Landing.

The following two tables show the distribution of sold and unsold units in active properties by sale price, unit type, and sales rate (absorption):

AVERAGE SALE PRICE	TOTAL UNITS	SOLD UNITS	AVERAGE MONTHLY UNIT SALES*
< \$150,000	66	43	0.3
\$150,000 - \$199,999	21	7	0.4
\$200,000 - \$299,999	4	0	0.0
\$300,000 - \$399,999	16	4	0.7
TOTALS/AVERAGE	107	54	0.3**

\*Based on active sales period; active sales period extended to study cut-off date (July 2007).

\*\*Average weighted by sold units



SALE PRICE RANGE	UNSOLD UNIT TYPE				TOTAL	
	GARDEN	LOFT	RANCH	TOWNHOUSE	NUMBER	PERCENT
<\$150,000	23	0	0	0	23	43.4%
\$150,000 - \$199,999	14	0	0	0	14	26.4%
\$200,000 - \$299,999	4	0	0	0	4	7.6%
\$300,000 <	0	0	0	12	12	22.6%
TOTAL	41	0	0	12	53	100.0%

The most common unit type and sale price range for unsold units in the DSA is an elevator-served garden floor plan selling for under \$150,000 (43.4%). The average weighted (by sold units) absorption rate for all active properties is 0.3 sales per month.

The following appliances are included in the surveyed active property units (frequency indicated by percentage of all active units):

- Range (100.0%)
- Refrigerator (100.0%)
- Dishwasher (100.0%)
- Disposal (100.0%)
- Air conditioning (100.0%)
- Washer/dryer hook-ups (85.0%)

The following amenities are included in the surveyed active property units (frequency indicated by percentage of all active units):

- Ceiling fan (15.0%)
- Window treatments (100.0%)
- Fireplaces (35.5%)
- Balcony (15.0%)
- Storage (49.5%)

The following common amenities are included in the surveyed active properties for use by residents (frequency indicated by percentage of all active units):

- Pool (50.5%)
- Fitness center (49.5%)
- Jog/bike trail (15.0%)
- Clubhouse (15.0%)
- On-site management (49.5%)
- Elevator (85.0%)
- Laundry facility (35.5%)
- Lake/water feature (15.0%)

The following information relates to association fees in active properties:

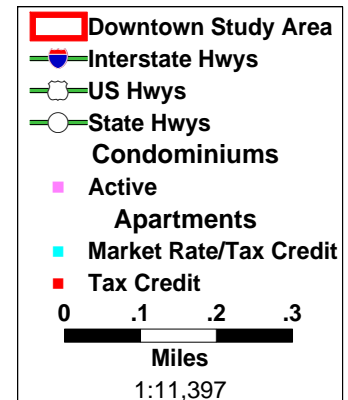
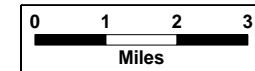
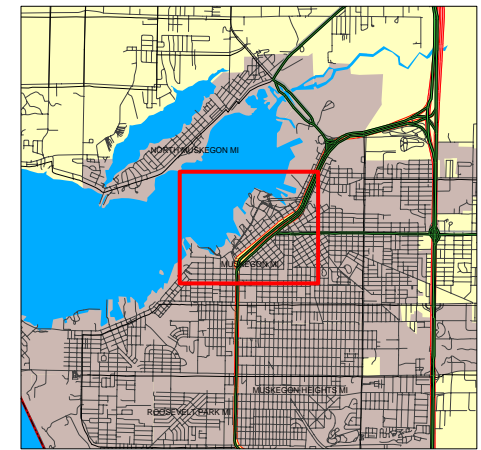
- Average monthly per unit fee for all active properties: \$152
- Range of monthly per unit fees for all active properties: \$90 to \$260
- Items covered by fees (frequency indicated by percentage of all active units): landscaping (100.0%), trash removal (100.0%), snow removal (100.0%), paved area maintenance (100.0%), water & sewer (100.0%), and management services (35.5%)

Parking in active properties is distributed as follows: all units receive one space, while 35.5% are in detached conventional residential garages, 49.5% are in uncovered surface lots, and 15.0% are in attached conventional residential garages.

An abbreviated field survey of all multi-unit condominium properties in the Muskegon DSA is provided in the following pages. Properties have been color-coded to reflect type. The field survey is comprised of the following major elements:




- A colored-coded map indicating the location of each property surveyed.
- A list of properties surveyed with name, address, telephone number, contact person, photograph, property type (active or established), date of first and last sale, number of floors, total units, sales rate, units sold and unsold, and presence of an elevator.
- A summary of the number of properties surveyed, the aggregate number of units sold, and aggregate sales by year.
- A summary of active properties including unit descriptions, unit sizes, parking arrangements, price, and price per square foot.
- A list of active properties indicating sales by unit type.

# Muskegon, MI: DSA Boundary with Surveyed Properties



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# SURVEY OF CONDOMINIUM PROPERTIES - MUSKEGON, MI

1 YMCA Condominiums						
	<b>Location</b>	297 W. Clay Ave. Muskegon, MI 49440	<b>First Sale:</b>	4/1/2002	<b>Sales Rate*</b>	0.5
			<b>Last Sale:</b>	7/1/2007	<b>Total Homes</b>	38
	<b>Developer</b>	Lake Shore Properties			<b>Homes Sold</b>	34
	<b>Phone</b>	(231) 733-8117			<b>Available Homes</b>	4
	<b>Comments</b>	Formerly the YMCA; Garages are carports; Year sold distribution is estimated; Units have decks; Elevator			<b>Planned Homes</b>	0
					<b>Floors</b>	4
2 Watermark Lofts						
	<b>Location</b>	930 Washington Ave. Muskegon, MI 49441	<b>First Sale:</b>	6/1/2005	<b>Sales Rate*</b>	0.6
			<b>Last Sale:</b>	12/1/2006	<b>Total Homes</b>	53
	<b>Developer</b>	ANM Group			<b>Homes Sold</b>	16
	<b>Phone</b>	(231) 727-0805			<b>Available Homes</b>	37
	<b>Comments</b>	Rehabilitation of the Shaw-Walker building; Elevator			<b>Planned Homes</b>	100
					<b>Floors</b>	5
3 Vida Nova at Edison Landing						
	<b>Location</b>	140-146 Menlo Pkwy. Dr. Muskegon, MI 49441	<b>First Sale:</b>	3/1/2007	<b>Sales Rate*</b>	0.7
			<b>Last Sale:</b>	5/1/2007	<b>Total Homes</b>	16
	<b>Developer</b>	Douglas L. Harjer, Inc.			<b>Homes Sold</b>	4
	<b>Phone</b>	(616) 638-1117			<b>Available Homes</b>	12
	<b>Comments</b>	Optional dock available; No elevator			<b>Planned Homes</b>	24
					<b>Floors</b>	2

\* Calculated based on active sales period. For active projects, active sales period extends to current month

 Active

 Established

Surveyed - July 2007

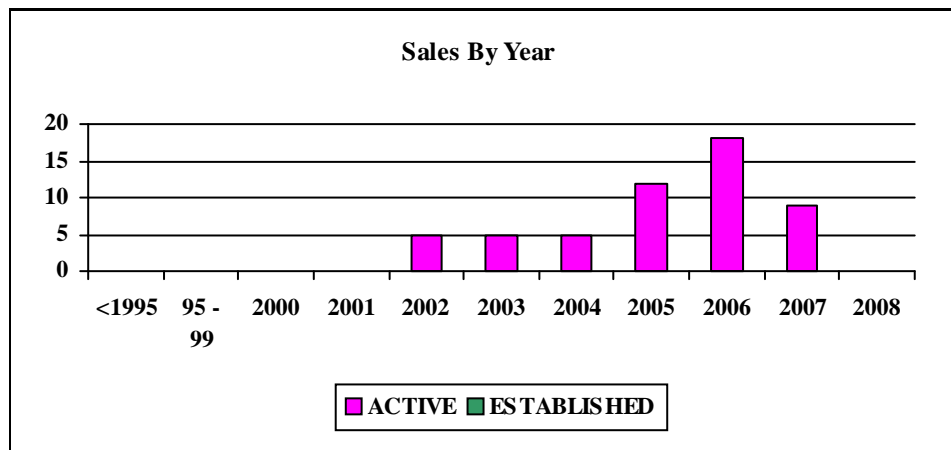
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## STATUS OF PROJECTS SURVEYED - MUSKEGON, MI

PROJECT STATUS	NUMBER OF PROJECTS	UNITS			
		TOTAL	SOLD	AVAILABLE	PLANNED
ACTIVE	3	107	54	53	124
<b>TOTAL</b>	<b>3</b>	<b>107</b>	<b>54</b>	<b>53</b>	<b>124</b>
* Active totals include both sold-out and active phases. Established totals reflect projects that have sold out units in all phases.					

## UNIT SALES BY YEAR - MUSKEGON, MI

YEAR	UNITS SOLD		TOTAL SALES	AVERAGE MONTHLY SALES
	ESTABLISHED PHASES	ACTIVE PHASES		
< 1995	0	0	0	
1995 - 1999	0	0	0	0.0
2000	0	0	0	0.0
2001	0	0	0	0.0
2002	0	5	5	0.4
2003	0	5	5	0.4
2004	0	5	5	0.4
2005	0	12	12	1.0
2006	0	18	18	1.5
2007	0	9	9	1.3
<b>TOTAL</b>	<b>0</b>	<b>54</b>	<b>54</b>	<b>0.5 *</b>
* - AVERAGE MONTHLY SALES FROM 2000 TO 2006				



Surveyed - July 2007

# PRICE ANALYSIS - MUSKEGON, MI

MAP ID	PROJECT NAME	UNIT DESCRIPTION				SQUARE FEET	PRICE	PRICE PER SQUARE FOOT
		BR	BATHS	STYLE	PARKING			
1	YMCA Condominiums	1	1	GARDEN ELEVATOR	D / 1	575 TO 900	\$60,000 - \$78,000	\$86.67 TO \$104.35
		2	2	GARDEN ELEVATOR	D / 1	1150 TO 1250	\$80,000 - \$120,000	\$69.57 TO \$96.00
2	Watermark Lofts	1	1	GARDEN ELEVATOR	L / 1	600 TO 875	\$94,000	\$107.43 TO \$156.67
		2	2	GARDEN ELEVATOR	L / 1	1100 TO 1275	\$167,000	\$130.98 TO \$151.82
		3	2	GARDEN ELEVATOR	L / 1	1500	\$209,000	\$139.33
3	Vida Nova at Edison Landing	3	2.5	GARDEN WALK UP	L / 2	1900	\$300,000	\$157.89
		3	2.5	2-STORY TOWNHOUSE	A / 1	1700	\$375,000	\$220.59

 Active  
 Established

**PARKING**  
 A - Attached      C - Carport  
 D - Detached      L - Lot/Surface  
 G - Parking Garage

Surveyed - July 2007

  
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# UNIT ANALYSIS - MUSKEGON, MI

MAP ID	PROJECT NAME	UNIT DESCRIPTION			SALES INFORMATION			PERCENT SOLD
		BEDROOMS	BATHS	STYLE	TOTAL AVAILABLE	PLANNED		
1	YMCA Condominiums	1	1	GARDEN ELEVATOR	19	1	0	94.7%
		2	2	GARDEN ELEVATOR	19	3	0	84.2%
2	Watermark Lofts	1	1	GARDEN ELEVATOR	28	19	53	32.1%
		2	2	GARDEN ELEVATOR	21	14	39	33.3%
		3	2	GARDEN ELEVATOR	4	4	8	0.0%
3	Vida Nova at Edison Landing	3	2.5	GARDEN WALK UP	0	0	24	100.0%
		3	2.5	2-STORY TOWNHOUSE	16	12	0	25.0%
					107	53	124	50.5% *
* - AMONG UNITS AVAILABLE OR UNDER CONSTRUCTION								

■ Active  
■ Established

Surveyed - July 2007

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### **Planned Multi-Unit Developments**

According to city building and planning officials, there were four multi-unit housing properties pending city approvals that had not started construction by July 2007 (study cut-off date) within the Muskegon DSA. The following table provides summary information on these planned properties:

<b>PROPERTY NAME &amp; LOCATION</b>	<b>DEVELOPER</b>	<b>PROPERTY TYPE</b>	<b>TOTAL UNITS</b>	<b>PROPERTY DETAILS</b>	<b>PROJECTED OPENING</b>
VIDA NOVA AT EDISON LANDING MENLO PARKWAY	DOUGLAS HARJER, INC.	CONDO	24	PHASE II GARDEN-STYLE UNITS	UNKNOWN
LAKEVIEW CONDOMINIUM 593 W. WESTERN	J 2 DEVELOPMENT	CONDO/ MIXED USE	25	6 STORIES GARDEN-STYLE ELEVATOR	UNKNOWN
LAKEVIEW TOWNHOMES WESTERN & TERRACE	J 2 DEVELOPMENT	CONDO	13	NEW URBANISM- STYLE 2-CAR GARAGES	UNKNOWN
WATERMARK LOFTS 930 WASHINGTON AVE.	ANM GROUP	CONDO	100	PHASE III OF SHAW- WALKER BLDG.	UNKNOWN
HERITAGE SQUARE TOWNHOMES 2 <sup>ND</sup> & CLAY	HERITAGE SQUARE DEVELOPMENT	CONDO	16	2 & 3BR'S 2 & 3 STORIES WORK/LIVE	SUMMER 2008
TOTAL		5	178		

There are no new multi-unit rental housing properties planned for the Muskegon DSA. There are three new multi-unit condominium housing properties totaling 54 units planned for the DSA. In addition, there are two active condominium properties that are planning 124 additional units at their present locations, Vida Nova at Edison Landing and Watermark Lofts. Combined, this represents a total of five multi-unit housing properties with 178 units for an average size of 36 units per planned property.

### **Summary**

From our research and field survey, the following table summarizes the multi-unit housing supply within the Muskegon DSA that met the study's selection criteria:

<b>PROPERTY TYPE</b>	<b>PROPERTIES</b>				<b>UNITS</b>			
	<b>PLANNED</b>	<b>BEING BUILT</b>	<b>BUILT</b>	<b>TOTAL</b>	<b>PLANNED</b>	<b>BEING BUILT</b>	<b>BUILT</b>	<b>TOTAL</b>
RENTAL	0	0	3	3	0	0	253	253
CONDOMINIUM	3	0	3	6	178	12	95	285
TOTAL	3	0	6	9	178	12	348	538

Combined, there are a total of nine multi-unit housing properties planned, being built, or built in the Muskegon DSA representing 438 total units. Of these 438 units, 78 (17.8%) are planned, none are being built, and 360 (82.2%) are built.